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June 20, 2018

**VIA ELECTRONIC FILING**

The Honorable Jocelyn Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, SC 29210

Re: **Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Inc. for review and approval of a proposed business combination between SCANA Corporation and Dominion Energy, Inc., as may be required, and for a prudency determination regarding the abandonment of the V.C. Summer Units 2 & 3 Project and associated merger benefits and cost recovery plans; Docket No. 2017-370-E**

Dear Ms. Boyd:

By way of two petitions filed on May 7, and May 17, 2018, Transcontinental Gas Pipe Line Company, LLC ("Transco") sought to intervene as a party of record in the above-referenced matter.<sup>1</sup> As further explained in their filings dated May 11 and May 24, 2018, South Carolina Electric & Gas Company ("SCE&G") and Dominion Energy, Inc. ("Dominion Energy") opposed the petitions on the basis that Transco does not have standing to intervene in this matter, has not satisfied the Commission's pleading requirements, and did not timely file its request. On June 6, 2018, the Public Service Commission of South Carolina ("Commission") issued Order No. 2018-400 in which it expressed uncertainty as to "whether Transco has crossed the threshold of standing for it to participate as a party." The Commission therefore posed certain questions regarding Transco's petitions, to which SCE&G and Dominion Energy respond as follows:

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<sup>1</sup> On May 7, 2018, Transco filed its first Petition to Intervene (Out of Time) ("First Petition") in which it sought permission to intervene out of time and be made a party of record in the above-referenced Docket. For reasons never explained, Transco filed a second Petition to Intervene (Out of Time) ("Second Petition") on May 17, 2018, which largely restated the same grounds upon which it sought to intervene in this proceeding.

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*1) Are the contracts that Transco identifies as establishing standing within the jurisdiction of this Commission?*

**Response:** No. Transco is a natural gas company engaged in the transportation and sale of natural gas in interstate commerce. See First Petition at ¶1; Second Petition at ¶1. In this capacity, Transco has contracted with SCE&G to provide interstate firm and interruptible natural gas pipeline transportation service, interstate natural gas storage service, and interstate wholesale purchases of natural gas. Because these contracts relate to the transportation and sale of natural gas in interstate commerce, they are subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission ("FERC"). See *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293, 300-01 (1988) ("The [Natural Gas Act of 1938, 15 U.S.C. § 717 *et seq.* ("Natural Gas Act")] confers upon FERC exclusive jurisdiction over the transportation and sale of natural gas in interstate commerce for resale."); *N. Nat. Gas Co. v. State Corp. Comm'n of Kan.*, 372 U.S. 84, 91 (1963) ("The Natural Gas Act precludes ... direct regulation by the States of such contractual matters" and provides "a comprehensive scheme of federal regulation of all wholesales of natural gas in interstate commerce") (internal quotations omitted). Accordingly, this Commission has no jurisdiction over SCE&G's contracts with Transco for interstate natural gas transportation, storage, and wholesale purchases.

*2) Specifically, how are those contracts subject to adverse effects from this proceeding, or specifically, how is this nexus or connection between Transco's rights and obligations under its contracts and the exercise of the Commission's authority on the merits of these issues too conjectural or hypothetical?*

**Response:** There will be no adverse effects on SCE&G's contracts with Transco arising from this proceeding or the request made by SCE&G and Dominion Energy in the Joint Petition. As explained in Paragraph 22 of the Joint Petition, if the proposed business combination between SCANA Corporation ("SCANA") and Dominion Energy is approved, "SCE&G will remain a direct, wholly-owned subsidiary of SCANA and will continue to exist as a separate legal entity." Therefore, SCE&G will continue to have the same contractual rights, responsibilities, duties, and obligations as those that exist at the time the proposed business combination is closed. For this reason, Transco's current contracts will be unaffected by and it will suffer no injury as a result of the current proceeding.

To the extent that Transco "fear[s] the prospect of future harm," such generalized assertions of prospective concerns "fall[] far short of the standard of 'concrete and particularized and ... actual or imminent' harm ...." *Beaufort Realty Co. v. Beaufort Cty.*, 346 S.C. 298, 303, 551 S.E.2d 588, 590 (Ct. App. 2001) citing *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992). Furthermore, any such concerns

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could not be properly addressed by this Commission inasmuch as FERC maintains exclusive jurisdiction over matters concerning the transportation and sale of natural gas in interstate commerce for resale. *See discussion supra p.2.*

*3) Can the Commission redress the adverse effects on these contracts alleged by Transco by a favorable decision?*

**Response:** No. As discussed previously, FERC maintains exclusive jurisdiction over matters concerning the transportation and sale of natural gas in interstate commerce for resale. In addition, the Natural Gas Act preempts any state regulation of such contractual matters. The Commission therefore has no jurisdiction or authority to redress any alleged adverse effects on Transco's contracts with SCE&G for interstate natural gas transportation, storage, and wholesale purchases.

For the reasons set forth above and in SCE&G and Dominion Energy's previous filings on this matter, Transco's petitions to intervene should be denied.

By copy of this letter, we are serving counsel for Transco as well as all parties of record with a copy of SCE&G and Dominion Energy's response and enclose a certificate of service to that effect.

If you have any questions or need further information, please advise.

Very truly yours,



K. Chad Burgess

KCB/kms  
Enclosure

cc: All Parties of Record in Docket No. 2017-370-E



BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2017-370-E

IN RE: **Joint Application and Petition of South  
Carolina Electric & Gas Company and  
Dominion Energy, Incorporated for  
Review and Approval of a Proposed  
Business Combination between SCANA  
Corporation and Dominion Energy,  
Incorporated, as May Be Required, and  
for a Prudency Determination  
Regarding the Abandonment of the V.C.  
Summer Units 2 & 3 Project  
and Associated Customer Benefits and  
Cost Recovery Plans**

**CERTIFICATE OF  
SERVICE**

This is to certify that I caused to be served one (1) copy of **South Carolina Electric & Gas Company and Dominion Energy, Inc.'s Response to Public Service Commission Order No. 2018-400** to the persons named below via electronic mail only at the addresses set forth:

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